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TAGS: [ECON](#) [EAID](#) [MZ](#)

SUBJECT: MOZAMBIQUE: FY 06 SPECIAL SELF-HELP (SSH) FUNDING REQUEST

REF: STATE 001255

¶1. Post requests USD 90,000 for the Ambassador's Special Self-Help (SSH) Fund in FY06.

¶2. Mozambique's economy continued to grow rapidly, with GDP increasing by 7.8% in 2004 and 7.0% in 2005. Still, the country remains extremely poor. An estimated 54% of Mozambicans currently live below the poverty level of approximately 10 USD/month. Mozambique was ranked 168th out of 177 by the UN in its 2005 Human Development Index. Approximately 16% of persons between the age of 15 and 49 are believed to be infected with HIV, and the epidemic is worsening. Mozambique's people also suffer greatly from tuberculosis and malaria, as well as seasonal cholera outbreaks. Sixty percent of all Mozambicans are illiterate, with that number rising to over seventy percent for females. The new Guebuza administration, which took office in February 2005, is confronting these many challenges, with the help of considerable donor assistance. On the economic front the government's focus is poverty reduction.

¶3. The Special Self-Help program is a very effective Mission tool for investing in sustainable community-level development projects. Past funding has gone for projects in the education, health, sanitation and agricultural sectors. By focusing on these critical development areas, the Mission has been able to generate positive public awareness of U.S. assistance efforts and to build local capacity and sustainability in assisting communities to address their development priorities. In 2005 the Mission funded eleven projects in the areas of education and socio-economic development. Projects were located in five of Mozambique's ten provinces. Below are some of the projects supported by the 2005 Special Self-Help fund.

-- a well providing over 1,700 people with potable water;

-- a library for students, teachers and the surrounding community that reaches 3,000 students a year and a community of 10,000;

-- a cereal-grinding mill where the ground cereal is both consumed locally and sold, helping a community of 3,000 become more self-sufficient and reduce poverty;

-- equipment for a sewing school for single mothers and widows, enabling them to become self-sufficient.

¶4. Prospective SSH projects in 2006 would follow the strategy outlined by the GRM's poverty reduction program at the community level. We also intend to fund work that would complement the Millennium Challenge Corporation's planned program to better living standards in the relatively underdeveloped northern provinces.

¶5. Post requests USD 90,000 in funding for the Special Self-Help Fund for 2006. Target areas are:

-- Increasing agricultural capacity: Mozambique has a largely agrarian economy, with three-quarters of its population engaged in subsistence farming. The Mission intends to fund projects providing inputs and technical training so that Mozambicans will not only better provide for themselves and their families, but also hopefully create small, sustainable commercial operations.

-- Health: Mozambique faces a critical shortage of health care providers in the rural areas. Health challenges are compounded by lack of access to potable water. The Mission will fund projects that improve the availability of health care and/or provide safe drinking water.

-- Increasing self-sufficiency of women and girls: Women and girls are disadvantaged in Mozambican society, particularly in rural areas. Post will select projects that generate income for women's groups, and focus on assisting women and girls to become more self-reliant. By improving their standard of living, we hope to create more education opportunities and enable women to have a stronger voice in their communities.

-- Education: Educational training is vital to reducing poverty and long-term growth. Providing educational facilities and resources is therefore a high priority for our Special Self-Help program. Post will select projects focused on addressing literacy issues.

¶6. Local awareness of the SSH program continues to increase, which has led to an increase in qualified applications for

future projects. Continuing a strong Special Self-Help program is essential to encouraging sustainable development at the community level, as well as demonstrating the our continued commitment to the government of Mozambique and its people.

¶7. Post's SSH Coordinator is Economic/Political Officer Brooke L. Williams and the Assistant Coordinator is Economic/Commercial Assistant Elizabeth Filipe.  
La Lime